MULTIMEDIA UNIVERSITY STUDENT IDENTIFICATION NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, 2018/2019

BAC3614 – ACCOUNTING INFORMATION SYSTEMS 2

(All sections / Groups)

18 October 2018
9 AM – 12 PM
(3 Hours)

INSTRUCTIONS TO STUDENT

1. This Question paper consists of 3 pages excluding cover page with 4 Questions only.

2. Attempt **ALL** questions. All questions carry equal marks and the distribution of the marks for each question is given.

3. Please write all your answers in the Answer Booklet provided.

QUESTION 1

a) The Board of Directors of MeiBank Berhad were considering a confidential merger offer. On 17th July 2018, the Chief Information Officer (CIO) received a ransom email from an unknown source stating they knew about the merger plans and had personal details of 150,000 customers. A sample of personal details for 500 customers was included in the ransom email as "proof". Unless a significant ransom was paid, they would leak the merger plans and sell the customer information. The CIO immediately engaged you as a forensic computer specialist to manage and advise on the incident.

Based on the situation, identify the problem and provide THREE (3) recommendations to the above problem.

(15 marks)

b) While risk is the norm in a globally competitive business, safeguarding corporate assets, information and people, the need of Disaster Recovery Plan (DRP) and Business Continuity Plan (BCP) becomes significant to the organization. However, by simply having a DRP and a BCP is not enough. It is because an organization should also ensure the effectiveness of both systems.

Discuss THREE (3) ways that can be implemented by the organization.

(10 marks)

(Total: 25 marks)

QUESTION 2

NEC Sdn Bhd intends to use relational Database Management System (DBMS) to maintain its records. As a database consultant of the company, you are required to give training to the Finance and IT Department. During the training, you are required to provide the following:

a) Explain TWO (2) differences of Flat file and DBMS. (6 marks)

b) Identify TWO (2) advantages of DBMS. (4 marks)

c) Design FOUR (4) tables that would be needed to capture data for sales transaction in DBMS. For each table, identify a primary key and THREE (3) secondary key.

(15 marks)

(Total: 25 marks)

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QUESTION 3

An account manager overheard through a telephone conversation that Aidan, the purchases journal clerk, periodically enters fictitious acquisitions. After Aidan creates a fictitious purchase, he notifies Hani, the accounts payable ledger clerk, so she can enter them in her ledger. When the payables are processed, the payment is mailed to the non-existent supplier's address, a post office box rented by Aidan. Aidan then deposits the check in an account he opened in the non-existent supplier's name.

Required:

a) Define fraud, fraud deterrence, fraud detection, and fraud investigation. (10 marks)

b) List and explain THREE (3) personal (as opposed to organizational) fraud symptoms, or red-flags, that indicate the possibility of fraud. (9 marks)

c) List and explain TWO (2) procedures that could uncover Aidan's fraudulent behavior. (6 marks)

(Total: 25 marks)

QUESTION 4

Mrs. DIY Sdn Bhd is a chain store that operates actively in the South East Asia. In Malaysia alone, they have around 300 stores selling home improvement supplies and accessories. In Malaysia, each store has a full-time, salaried manager and an assistant manager. The sales personnel are paid an hourly wage and a commission based on sales volume.

The company uses electronic cash registers to record each transaction. The salesperson enters his / her employee number at the beginning of his/her shift. For each sale, the salesperson rings up the order by scanning the item's bar code, which then displays the item's description, unit price and quantity (each item must be scanned). The cash register automatically assigns a consecutive number to each transaction. The cash register prints a sales receipt that shows the total, any discounts, the sales tax and the grand total.

The salesperson collects payment from the customer, gives the receipt to the customer and either directs the customer to the warehouse to obtain the items purchased or makes arrangement with the shipping department for delivery. The salesperson is responsible for using the system to determine whether credit card sales are approved and for approving both credit sales and sales paid by check. Sales returns are handled in exactly the reverse manner, with the salesperson issuing a return slip when necessary.

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At the end of each day, the cash registers print a sequentially ordered list of sales receipts and provide totals for cash, credit card, and check sales, as well as cash and credit card returns. The assistant manager reconciles these totals to the cash register tapes, cash in the cash register, the total of the consecutively numbered sales invoices and the return slips. The assistant manager prepares a daily reconciled report for the store manager's review.

Cash sales, check sales, and credit card sales are reviewed by the manager, who prepares the daily bank deposit. The manager physically makes the deposit at the bank and files the validated deposit slip. At the end of the month, the manager performs the bank reconciliation. The cash register tapes, sales invoices, return slips, and reconciled report are mailed daily to corporate headquarters to be processed with files from all the other stores. Corporate headquarters returns a weekly Sales and Commission Activity Report to each store manager for review.

Required:

a) The fourth component of the COSO ERM framework is risk assessment. List and explain TWO (2) possible risks of Mrs. DIY. (5 marks)

b) Based on the above scenario, identify and explain THREE (3) of the following:

i) Control / strengths in Mrs. DIY sales / cash receipts
ii) Type of control activity for each control
iii) Risk mitigated by the controls

Use the format below in your answers:

Control strengths in sales/cash receipts	Type of control activity	Risks mitigated by the controls

(15 marks)

c) How might Mrs. DIY improve its system of controls? (5 marks)

(Total: 25 marks)

End of Paper